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North Enlisted Billionaire Perot to Ransom Hostages

By Bob Woodward
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Several times over the last five years, Marine Lt. Col. Oliver L. North arranged for Texas billionaire H. Ross Perot to put up ransom money in unsuccessful secret attempts to obtain the release of various American hostages, including those held in Lebanon, according to informed sources.

The most recent attempt was on May 23, when North asked Perot to place \$2 million in an account in the Credit Suisse Bank of Zurich as part of a secret transaction to secure the release of the remaining American hostages in Lebanon. The account was named Lake Resources Inc. and numbered 386-430-22-1. Perot was about to telex the

funds when North called and requested that Perot instead send the money by courier to Cyprus. Perot did so.

The \$2 million was to be exchanged at sea off Cyprus for five hostages in what one source called "a ship-to-ship transfer." Perot's courier waited five days on Cyprus for an opportunity to pay the ransom, but the deal fell through for reasons that could not be determined yesterday.

At the same time, on May 28, former national security adviser Robert C. McFarlane and North made their now-celebrated trip to Tehran with a planeload of arms in what also turned out to be an unsuccessful attempt to obtain the release of the remaining Beirut hostages.

The information on North and Perot comes from informed sources, including people with firsthand knowledge of the transactions described. All sources asked not to be identified. They could not explain why North was working simultaneously on at least two tracks to obtain the release of the hostages, or how the two might have been related.

An authoritative source quoted Perot as saying, "I wouldn't have done it unless it was the request of the United States government . . . Ollie didn't operate in a vacuum."

Provided a summary of the details in this article, Perot said yesterday that he would not dispute any of them. "I will confirm that from time to time, I have responded to requests from the American government to help Americans in distress," Perot said, declining to make further comment.

A source associated with North declined comment yesterday. White House spokesman Daniel Howard said, "If it happened, according to the National Security Council,

no one knew of it and it certainly was not authorized."

President Reagan has said many times that his administration would not negotiate with or pay ransom to terrorists or hostage-takers.

For example, on June 18, 1985, in the midst of the ordeal of TWA Flight 847 when Americans were held hostage for 17 days, Reagan said in a prepared statement

at a news conference: "America will never make concessions to terrorists—to do so would only invite more terrorism. Nor will we ask nor pressure any other government to do so. Once we head down that path there would be no end to it, no end to the suffering of innocent people, no end to the bloody ransom all civilized nations must pay."

A source said that the secret Perot channel was justified in the White House on the grounds that the ransom money was from a private individual and not the U.S. government.

North worked with Perot on efforts to free the Beirut hostages beginning soon after March 16, 1984, when the Central Intelligence Agency's Beirut station chief, William Buckley, was taken hostage. In the words of one source with firsthand knowledge, "North became preoccupied with getting ransom and asked for \$1 million to \$2 million . . . They had to get Buckley back, given the knowledge Buckley had" as the senior CIA person in Lebanon.

North requested that Perot provide the ransom for Buckley, and Perot immediately agreed to make up to \$2 million available whenever it was needed. But neither North nor the CIA was able to work out an exchange with Buckley's captors, despite extraordinary efforts. After about 15 months in captivity marked by torture and medical neglect, Buckley died. The next month, McFarlane, while still the national security adviser, began the Reagan administration's secret opening to Iran.

Perot's efforts to help the Reagan administration free Americans held abroad predates the string of

Beirut kidnappings. Early in 1982—again at North's request—the Texas billionaire wired \$500,000 to an Italian bank to pay for the release of Brig. Gen. James L. Dozier, a ransom attempt that also failed. Dozier, the senior American officer at the NATO base in Verona, Italy, was kidnaped Dec. 17, 1981, and held 42 days by Red Brigades terrorists before he was rescued unharmed by a special squad of Italian police.

In that instance, Perot acted at the request of North and a senior general in the Pentagon. The \$500,000 was converted to Italian lire and taken to the U.S. Embassy in Rome, but the exchange was never worked out and the money was eventually returned to Perot.

Before Dozier's rescue, a group described only as "friends" of Dozier publicly offered \$1.67 million as a reward for information leading to the NATO general's release. It could not be learned yesterday if there was a connection between Perot's \$500,000 and this reward money.

North's role in soliciting Perot's private funds to ransom American hostages seems to parallel North's efforts to solicit private funds for the Nicaraguan rebels, called contras. One source said that North asked Perot to provide money for the contras, but Perot reportedly declined.

Perot met North shortly after Perot joined the President's Foreign Intelligence Advisory Board (PFIAB) in early 1982. The PFIAB is a group of prominent citizens that assists the president by reviewing activities of U.S. intelligence agencies. The board has access to data on some—but not all—sensitive U.S. intelligence activities.

Perot resigned from the PFIAB on March 13, 1985, according to a PFIAB spokeswoman. The reasons for his departure could not be learned yesterday.

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Perot's secret activities on behalf of the U.S. government date at least to 1969, when he agreed to work behind the scenes for the Nixon administration in an effort to improve treatment of American prisoners of war in Vietnam. Perot is still active in POW-MIA issues, and earlier this fall met with Vice President Bush to discuss them.

In 1979, when two employees of Perot's firm, Electronic Data Systems, were held captive in Iran, Perot hired a retired army commando specialist who led a seven-member team to Iran that freed the two EDS men. Their exploits were recounted in detail in Ken Follett's best-selling book, "Oh Wings of Eagles," and in a subsequent made-for-television movie of the same name.

In October, Forbes magazine described Perot as the third wealthiest man in America, estimating his personal fortune at \$2.5 billion.

Staff researcher Barbara Feinman contributed to this report.